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No. 08-583

IN THE

Supreme Court of the United States

ENERGIZER HOLDINGS, INC. AND
EVEREADY BATTERY COMPANY, INC., PETITIONERS,

v.

UNITED STATES INTERNATIONAL
TRADE COMMISSION, ET AL.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITIONER'S REPLY BRIEF

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The briefs in opposition filed by the Federal Respondent and the Private Respondents confirm the need for review by this Court. Respondents sidestep the Petition's showing that claim construction in the Federal Circuit is plagued by a longstanding division between two approaches and now includes an outright rejection of the principle that construction should strive to avoid invalidity. The conflicts over such principles pervasively affect patent cases and controlled the outcome in this case. It is time for this Court to step in to restore the substance-focused approach to claim construction that the Court has required on other patent issues in its recent cases.

Though Respondents seek chiefly to show that this is not a suitable vehicle for this Court's attention, none of respondents' arguments has merit. Instead, this case is a good one in which to resolve the important claim-construction issues, because: (1) it starkly portrays the contextual versus hypertextual approaches to claim construction; (2) it presents clearly the failure to follow this Court's precedent on validity preservation; and (3) it sharply highlights the consequences of erroneous claim construction.

By rejecting the only sensible construction, the Federal Circuit invalidated a patent that embodies precisely what the patent system exists to encourage: the investment of significant resources in research to produce a socially important technological advance – an alkaline battery needing no addition of mercury (licensed by a majority of the world's major battery manufacturers).

I. THE PROPER APPROACH TO CLAIM CONSTRUCTION IS IN NEED OF THIS COURT'S CLARIFICATION

Rather than refute the question presented by Petitioners, the Private Respondents expressly acknowledge the central basis for Energizer's petition: it is undisputedly clear what is "the advance in the art invented and described by the patentee" and "what the inventor . . . regarded as his invention." Private Resp. Opp. i (question presented), 3. Moreover, in noting that the advance was "described by the patentee," the Private Respondents recognize that the invention is identified with clarity in the patent specification itself, as well as being confirmed by expert testimony and party concessions. The evidence "intrinsic" to the patent document and its history in the PTO aligns with the "extrinsic" evidence in making clear what the invention is.

The question presented is both simple and important. Did the Federal Circuit err in refusing to construe the patent claim to capture what the parties agree is "the advance in the art invented and described by the patentee"? In particular, did the Federal Circuit err in relying on a hypertextualist approach to reject that realistic and validity-preserving construction? The choice of approach by the panel majority was case-dispositive, reflects a persistent division within the Federal Circuit, and is contrary to the principles stated in this Court's precedents, including that claims should be construed with the objective of "ascertaining the invention" (*United States v. Adams*, 383 U.S. 39, 49

(1966)) and "sustain[ing] the patent" (*Klein v. Russell*, 86 U.S. (19 Wall.) 433, 466 (1873)).

As extensive commentary on claim construction confirms, there is a fundamental divergence in approach among different judges and panels of the Federal Circuit. That divergence pre-dated the *en banc* decision in *Phillips v. AWH Corp.* 376 F.3d 1382 (Fed. Cir. 2004), and was not resolved by that decision (Pet. 16-28) – except in one respect that now independently calls for this Court's review, namely, the rejection of the validity-preservation principle mandated by this Court's precedents (Pet. 23-24).[1]

Some claim-construction analyses, like the majority's here, rely primarily and in effect dispositively on what they view as the unavoidable implications of the words and grammar of the claim language in isolation, as the judges themselves (rather than skilled artisans) understand the language. Judges using that approach draw a strong conclusion about the sole correct claim

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[1] *See, e.g.*, Cheryl Lee Johnson, *The Continuing Inability of Judges to Pass Their Markman Tests: Why the Broken System Leaves Judges Behind, Confused and Demoralized*, 941 PLI/Pat 65, 71 (2008) ("[District judges] must labor under claim construction rules which change at a dizzying pace. The Federal Circuit, in a string of cases from *Vitronics* to *Phillips*, has charted a notoriously jerky path, embracing disparate and contradictory claim construction approaches variously described as 'contextual,' 'holistic,' 'formalistic,' 'procedural,' 'dictionary-driven,' 'ordinary-meaning' or 'specification-driven.' . . . While the Federal Circuit promised it would straighten out the basic guidelines in *Phillips*, it missed the delivery. . . . [District] Judges must . . . construe patents to the satisfaction of the Federal Circuit which itself can't agree on the ground rules, much less their applications.").

interpretation and, unless they find what they regard as a contrary "definition" in the patent documents, do not allow their conclusion to be displaced by even undisputedly clear identification of "the advance in the art invented and described by the patentee" and "what the inventor regarded as his invention." And they insist on their conclusion even when doing so, as in this case, renders the claim invalid – even when the reason for invalidity is a problem of claim indefiniteness or lack of written-description support that adopting the plainly intended claim construction would immediately cure.

The competing claim-construction approach recognizes that the words and grammar of the claim themselves rarely eliminate room for contextual or skilled-artisan understanding, and it therefore examines the context and reliable evidence of skilled artisans' understanding from the very outset in arriving at the proper claim interpretation. That context consists primarily of the patent documents – the specification and the prosecution history – which, as in this case, identify with clarity "the advance in the art invented and described by the patentee" and "what the inventor regarded as his invention." But skilled artisans' understandings may be evinced from expert testimony or other sources as well. This approach, far from ignoring the claim language, takes a holistic approach to the task of interpreting a document written for technical people, not judges. At the same time, it strives to avoid the "gotcha" invalidity results of the hypertextualist approach produced by reading the claim in isolation to depart from the described invention and on that basis invalidating the claim.

This divergence in approach matters tremendously in patent litigation. The proper construction of claims is an essential step in assessing almost all issues of infringement and validity. And as long as the divergence in approach persists, there remains profound uncertainty about the perspective required for construing claims – an uncertainty that affects parties in advance of potential lawsuits and district courts as litigation proceeds. Although claim interpretation by its nature will never be mathematically precise, the fundamental question of how to approach it should be resolved so as to reduce dramatically the range of uncertainty faced by litigants and courts.

II. THIS CASE IS A GOOD VEHICLE TO PROVIDE CLARIFICATION

This case presents a good vehicle for settling the deep dispute about the proper approach to claim construction, because "the advance in the art invented and described by the patentee" is so starkly clear. None of the respondents' efforts to argue otherwise has merit.

The Federal Respondent suggests that the Federal Circuit effectively decided the claim construction question in the first appeal (*Energizer II*). Federal Resp. Opp. 12. But that is simply immaterial: even if the die was cast about claim construction by *Energizer II*'s language about the antecedent basis for "said zinc anode," the claim construction is properly presented for review here. It is well established that an interlocutory ruling like *Energizer II* is fully available for review after the final judgment. *See, e.g., Major League Baseball Players Ass'n v. Garvey*, 532 U.S. 504, 508 n.1 (2001)

(*per curiam*); *Urie v. Thompson*, 337 U.S. 163, 171 (1949). The present petition challenges the claim construction ruling regardless of where it appeared.[2]

The Federal Respondent suggests that the claim language is just too clear to allow construction according to the evidently intended meaning. That assertion is simply insupportable except on the very hypertextualist approach that is at issue. Only on that basis could the judges overread "said zinc anode" to refer to "anode gel," ignoring the plain contrary understanding of skilled artisans – who recognize the *conceded* impossibility of any commercial battery satisfying the claim under the competing construction, which was therefore nonsensical. Federal Resp. Opp. 13.

The case perfectly illustrates the critical importance of approaching the problem from the right perspective. The Federal Circuit had to consider three potential antecedent bases for the phrase "said zinc anode": (1) the entire phrase "anode gel comprised of zinc as the active anode component"; (2) the portion of that phrase – "anode gel" – as the Private Respondents had argued; or (3) the portion of that phrase – "zinc" – as Energizer

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[2] The Federal Respondent stresses that *Energizer II* was "unanimous" (Federal Resp. Opp. 12), but that is not significant. Indeed, Judge Newman did not think that *Energizer II*, in deciding what the antecedent basis was, settled the claim construction issue. Pet. App. 46a. Regardless, when the issue of claim construction was brought into focus on the second appeal, Judge Newman explained why she thought that Energizer's position is correct and could be rejected only under an incorrect hypertextualist approach to claim construction. *Id.* at 46a-47a.

had argued. Selecting the entire phrase or just the word "zinc" resulted in the same claim interpretation in light of the discharge limitations.

Any claim construction that focuses on how the skilled artisan understands the claims precludes reading the phrase "said zinc anode has a gel expansion of less than . . ." from requiring discharge of the anode gel of the claimed battery, a requirement that skilled artisans would know was non-sensical and therefore not meant. Instead, the skilled artisan would understand after reading the specification, including the Examples, that what is claimed is *zinc* having the low expansion characteristic. That is what the specification describes.

The skilled artisan would draw the same conclusion, beyond any doubt, from the publicly available prosecution history that is always part of understanding patent claims. The patent Examiner allowed the claims after an amendment specifically deleted the word "gel" from the phrase "said zinc anode gel." The patentee explained the amendment:

> Claims 45, 48 and 49 have been amended to correct a grammatical error. *It is the zinc which is to be tested, as set forth in the specification.*

See Ct. App. JA2402 (emphasis added). Reflecting this history, the ALJ determined that "said zinc anode" referred to "zinc as the active anode component." *See* Pet. App. 136a-142a.

The Private Respondents suggest that the prosecution history of earlier related patents[3] might support *their* claim construction. Private Resp. Opp. 22. The just-quoted statement conclusively proves the opposite: Energizer made perfectly clear that it was the zinc itself that was to be tested. Indeed, as the Federal Respondent notes, the ALJ correctly observed that the amendment made in the PTO "made clear that the applicant's 'intention was that the 'said zinc anode' refer to the zinc.'" Federal Resp. Opp. 4 (quoting Pet. App. 140a).

Interpreting "said zinc anode" to mean "anode gel" essentially puts the word "gel" back into the claim, overriding the plain meaning of the amendment deleting that term and specifying that it was the zinc which is to be tested. Doing so also results in a claim construction that does not cover the batteries set forth in the Examples or any commercially available alkaline battery. The skilled artisan, for whom patents are written, thus knew perfectly well that "said zinc anode" here meant the zinc that was the active anode component. For that reason, and to avoid the invalidation that otherwise

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[3] The Examiner rejected some claims during the prosecution of those patents on the basis that the phrase "low-expansion" was a relative term and therefore indefinite. *See* Ct. App. JA2145. That rejection was not based upon prior art. The patentee substituted the discharge limitations to define "low-expansion" zinc as a zinc with a low post-partial discharge characteristic (which expands less than 25% after being discharged at 2.88A for 161 minutes to 15% depth of discharge). The substituted language, while obviating the Examiner's rejection, means in the context of the specification the same thing as "low-expansion zinc." *See* Ct. App. JA2152-58, 2218, 2222.

followed, that interpretation therefore should have been adopted.

Both respondents rely on the inventor's testimony that he thought that the word "anode" was put into the claim in error. *See* Federal Resp. Opp. 5; Private Resp. Opp. 8. But that testimony, even as a subject matter, does *not* dispute what the invention described or even claimed is.[4] And it is simply beside the point. Even if the inventor thought that the prosecuting attorney included the word in "error," the question remains what the word means once included, and that question must be answered objectively by asking how a skilled artisan would understand the patent document. *See Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 985 (Fed. Cir. 1995) (en banc), *aff'd*, 517 U.S. 370 (1996) (for public document, subjective views of inventor essentially immaterial); *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1378-80 (Fed. Cir. 2000). That

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[4] The ALJ rejected the Private Respondents' arguments concerning the portion of Dr. Scarr's testimony that is currently cited by both respondents. The ALJ, citing Dr. Scarr's other testimony and the ALJ's claim interpretation, stated:

> The undersigned has construed the term "said zinc anode" to refer to the zinc as the active anode component. When "said zinc anode" is interpreted in this manner, Claim 1 reflects what Dr. Scarr regarded as his invention, which is a test that allowed EBC to select zincs to be used in a zero-mercury-added alkaline battery. In addition, what Dr. Scarr testified about regarding the "said zinc anode" language was that he thought that "said zinc anode" referred to the zinc powder.

See Ct. App. JA897 (footnotes omitted).

approach requires Energizer's and the ALJ's construction, for all the reasons discussed.[5]

The Private Respondents suggest that zero-mercury-added batteries and low-expansion zinc were known in the prior art. *See, e.g.*, Private Resp. Opp. 3-4.[6] But this is nothing but an effort to insert an argument for invalidity in light of prior art. Neither the Federal Circuit nor the ITC found invalidity on any such ground. To the contrary, when Private Respondents made such arguments, the ALJ rejected them, sustaining the validity of the

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[5] Petitioners regret the error of printing the public version of the Commission's opinion in the Petition Appendix. Petitioners failed to recall that the only confidential portion of the opinion had later become public. The testimony, as noted in text, is beside the point.

[6] The Private Respondents also make an argument about the EPO file history. What they conveniently omit is the follow-up correspondence, which retracted the very statement that the respondents cite in footnote 2 on page 5. The follow-up letter stated:

> The case is that low expansion zinc is <u>not</u> known <u>at all</u> from the prior art and, whilst it has been stated in a previous letter that it was known, we believe that the Examiner will agree with us that there is no basis for such a statement, except for the unfortunate paragraph in our previous letter.

Ct. App. JA7495. European counsel's statement was incorrect and was retracted. Moreover, that series of correspondence was in the context of issues concerning written description support in the European specification. The specifications of the European and U.S. patents are considerably different from one another. The specification of the European application does not include the description of the gel expansion test that appears at Col. 4:38 – Col. 5:45 of the '709 Patent. *See* 2005 Ct. App. JA7380-7405.

patent (Ct. App. JA839-898). While the Private Respondents questioned these findings, those questions were not reached by the Commission reviewing the ALJ's Initial Determination. *See* Pet. App. 124a.

Lastly, the Private Respondents suggest that even if Energizer were to get the claim interpretation it seeks, the patent would nevertheless be invalid for failure to meet the written description requirement. *See* Private Resp. Opp. 27. That assertion is insupportable and, indeed, directly contradicts what the entire panel recognized: that the specification clearly sets forth exactly what Energizer urged and the ALJ found to be the proper claim construction. (A sample of the zinc powder is used to formulate the gel used in the test cell that is discharged to determine the post-partial discharge characteristic of the zinc used in the accused battery. Col. 4:38 – Col. 5:45.) It was only the majority's refusal to construe the claims to match what the written description clearly revealed as the invention that led to the invalidity ruling. There was no doubt that the written description describes the invention under Energizer's claim construction.

That is why the proper approach to claim construction is clearly presented by the Federal Circuit's decision. This Court should grant review.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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